Page 1 of 18 e 1:94-cv-05984-REC-SMS Document 156 Filed 05/07/2008 1 RONALD J. TENPAS Assistant Attorney General 2 Environment and Natural Resources Division U.S. Department of Justice 3 **ELLEN MAHAN** 4 Deputy Chief **Environmental Enforcement Section** 5 ANN C. HURLEY, DC Bar No. 375676 Trial Attorney **Environmental Enforcement Section** 6 U.S. Department of Justice 301 Howard Street, Suite 1050 San Francisco, CA 94105 8 Tel: (415) 744-6480 Fax: (415) 744-6476 E-mail: ann.hurley@usdoj.gov 10 IN THE UNITED STATES DISTRICT COURT 11 FOR THE EASTERN DISTRICT OF CALIFORNIA 12 UNITED STATES OF AMERICA, 13 Plaintiff, CIVIL ACTION NO. F94-5984 REC SSH 14 v. 15 VALLEY WOOD PRESERVING, INC., THIRD PARTIAL CONSENT DECREE 16 17 Defendants. 18 19 I. BACKGROUND 20 A. In 1994, the United States filed a complaint in this Court against Valley Wood 21 Preserving, Inc. and Joyce Logsdon (collectively, "Settling Defendants") and other individuals 22 and entities not named in this Third Partial Consent Decree ("Consent Decree") pursuant to 23 Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 24 1980, 42 U.S.C. § 9607, as amended ("CERCLA"), seeking reimbursement of response costs 25 incurred or to be incurred for response actions taken at or in connection with the release or 26 threatened release of hazardous substances at the Valley Wood Preserving, Inc. Superfund Site in 27 Turlock, Stanislaus County, California ("the Site"). 28 В. Pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, EPA placed the Site on Third Partial Consent Decree Civ. No. F94-5984 REC SSH the National Priorities List, set forth at 40 C.F.R. Part 300, Appendix B, by publication in the

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embodied in a final Record of Decision ("ROD"), executed on September 27, 1991, which was modified by an Explanation of Significant Differences ("ESD") issued in December 1994. On September 29, 2003, EPA issued Amendment #1 to the ROD. This was followed by Amendment #2 to the ROD, which was issued on March 30, 2007.

The decision by EPA on the remedial action to be implemented at the Site is

- D. In accordance with this Court's Order dated February 5, 1996, Settling Defendants are jointly and severally liable under CERCLA for all past and future costs not inconsistent with the National Contingency Plan ("NCP") incurred by the United States at the Site.
- E. This Consent Decree resolves disputes with respect to the payment of past costs that have arisen between the United States and Settling Defendants subsequent to entry by this Court of the Partial Consent Decree on March 25, 1997, and entry by this Court of the Second Partial Consent Decree on August 26, 1998.
- F. The United States and Settling Defendants agree, and this Court by entering this Consent Decree finds, that this Consent Decree has been negotiated by the Parties in good faith, that settlement of this matter will avoid prolonged and complicated litigation between the Parties, and that this Consent Decree is fair, reasonable, and in the public interest.

THEREFORE, with the consent of the Parties to this Decree, it is ORDERED, ADJUDGED, AND DECREED:

II. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345 and 42 U.S.C. §§ 9607 and 9613(b) and also has personal jurisdiction over Settling Defendants. Solely for the purposes of this Consent Decree and the underlying complaint, Settling Defendants waive all objections and defenses that they may have to jurisdiction of the Court or to venue in this District. Settling Defendants shall not challenge the

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terms of this Consent Decree or this Court's jurisdiction to enter and enforce this Consent Decree.

III. PARTIES BOUND

2. This Consent Decree is binding upon the United States, and upon Settling Defendants and their heirs, successors and assigns. Any change in ownership or corporate or other legal status, including, but not limited to, any transfer of assets or real or personal property, shall in no way alter the status or responsibilities of Settling Defendants under this Consent Decree.

IV. **DEFINITIONS**

3. Unless otherwise expressly provided herein, terms used in this Consent Decree that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meanings assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Consent Decree, the following definitions shall apply:

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, et seq.

"Consent Decree" or "Decree" shall mean this Third Partial Consent Decree.

"Day" shall mean a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or federal holiday, the period shall run until the close of business of the next working day.

"DOJ" shall mean the United States Department of Justice and any successor departments, agencies or instrumentalities of the United States.

"EPA" shall mean the United States Environmental Protection Agency and any successor departments, agencies or instrumentalities of the United States.

"EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

"Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject

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"Owner Settling Defendant" shall mean Valley Wood Preserving, Inc.

"Paragraph" shall mean a portion of this Consent Decree identified by an Arabic numeral or an upper or lower case letter.

"Parties" shall mean the United States and Settling Defendants.

"Past Response Costs" shall mean all costs, including, but not limited to, direct and indirect costs, that the United States paid at or in connection with the Site through September 30, 2007, plus Interest on all such costs which has accrued pursuant to 42 U.S.C. § 9607(a) through the date of payment.

"Plaintiff" shall mean the United States.

"Section" shall mean a portion of this Consent Decree identified by a Roman numeral.

"Settling Defendants" shall mean Valley Wood Preserving, Inc. and Joyce Logsdon.

"Site" shall mean the Valley Wood Preserving Superfund Site, occupying an area of approximately 14.4 acres and located at 2237 South Golden State Boulevard in an unincorporated area of Stanislaus County, California, about 1.5 miles southeast of the City of Turlock's boundaries.

"United States" shall mean the United States of America, including its departments, agencies and instrumentalities.

V. PAYMENT OF RESPONSE COSTS

- 4. Payments for Past Response Costs to EPA. Within 30 days of entry of this Consent Decree, Settling Defendants shall pay to EPA \$20,300.00, plus an additional sum for Interest on that amount calculated from December 15, 2006, through the date of payment.
- 5. Payment shall be made by certified check or checks or cashier's check or checks made payable to "U.S. Department of Justice," referencing the name and address of the party(ies) making payment, EPA Site/Spill ID Number 09K5, DOJ Case Number 90-11-3-835/1 and Civil Action Number F94-5984 REC SSH. Settling Defendants shall send the check(s) to: United Third Partial Consent Decree -4 Civ. No. F94-5984 REC SSH

- 6. At the time of payment, Settling Defendant shall send notice that payment has been made to the United States, to EPA, and to the Regional Financial Management Officer, in accordance with Section XV (Notices and Submissions). Such notice shall reference the EPA Region, EPA Site/Spill ID Number 09K5, DOJ Case Number 90-11-3-835/1 and Civil Action Number F94-5984 REC SSH.
- 7. The total amount to be paid pursuant to Paragraph 4 shall be deposited in the Valley Wood Preserving Site Special Account within the EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund. Settling Defendants may in the future receive periodic bills from the United States for reimbursement of its future oversight and response costs incurred at this Site. The United States shall deposit any such funds it receives pursuant to these bills in the Valley Wood Preserving Site Special Account to be retained and used to conduct or finance response actions at or in connection with the Site, or to be transferred by EPA to the EPA Hazardous Substance Superfund.

VI. FAILURE TO COMPLY WITH CONSENT DECREE

- 8. <u>Interest on Late Payments</u>. If Settling Defendants fail to make any payment under Paragraph 4 (Payment of Response Costs) by the required due date, Interest shall continue to accrue on the unpaid balance through the date of payment.
 - 9. <u>Stipulated Penalty</u>.

- a. If any amounts due under Paragraph 4 are not paid by the required date, Settling Defendants shall be in violation of this Consent Decree and shall pay to EPA, as a stipulated penalty, in addition to the Interest required by Paragraph 8, \$100 per day that such payment is late.
- b. Stipulated penalties are due and payable within 30 days of the date of the demand for payment of the penalties by EPA. All payments to EPA under this Paragraph shall be paid by certified or cashier's check(s) made payable to "EPA Hazardous Substances

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- c. Stipulated penalties shall accrue as provided in this Paragraph regardless of whether EPA has notified Settling Defendants of the violation or made demand for payment, but need only be paid upon demand. All penalties shall begin to accrue on the day after payment is due, and shall continue to accrue through the final day of correction of the noncompliance or completion of the activity. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Consent Decree.
- 10. If the United States brings an action to enforce this Consent Decree against Settling Defendants, Settling Defendants shall reimburse the United States for all costs of such action, including, but not limited to, costs of attorney time.
- 11. Payments made under this Section shall be in addition to any other remedies or sanctions available to Plaintiff by virtue of Settling Defendants' failure to comply with the requirements of this Consent Decree.
- 12. The obligations of Settling Defendants to pay amounts owed the United States under this Consent Decree are joint and several. In the event of the failure of any Settling Defendant to make the payments required under this Consent Decree, the remaining Settling Defendant shall be responsible for such payments.
- 13. Notwithstanding any other provision of this Section, the United States may, in its unreviewable discretion, waive payment of any portion of the stipulated penalties that have accrued pursuant to this Consent Decree. Payment of stipulated penalties shall not excuse Settling Defendants from payment as required by Section V or from performance of any other requirements of this Consent Decree.

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VII. COVENANT NOT TO SUE BY PLAINTIFF

14. <u>Covenant Not to Sue by United States</u>. Except as specifically provided in Section VIII (Reservation of Rights by United States), the United States covenants not to sue or to take administrative action against Settling Defendants pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Past Response Costs. This covenant not to sue shall take effect upon receipt by EPA of all payments required by Section V, Paragraph 4 (Payment of Response Costs) and any amount due under Section VI (Failure to Comply with Consent Decree). This covenant not to sue is conditioned upon the satisfactory performance by Settling Defendants of their obligations under this Consent Decree. This covenant not to sue extends only to Settling Defendants and does not extend to any other person.

VIII. RESERVATIONS OF RIGHTS BY UNITED STATES

- 15. The United States reserves, and this Consent Decree is without prejudice to, all rights against Settling Defendants with respect to all matters not expressly included within the Covenant Not to Sue by Plaintiff in Paragraph 14. Notwithstanding any other provision of this Consent Decree, the United States reserves all rights against Settling Defendants with respect to:
- a. liability for failure of Settling Defendants to meet a requirement of this Consent Decree;
- b. liability for costs incurred or to be incurred by the United States that are not within the definition of Past Response Costs;
- c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;
 - d. criminal liability; and
- e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.

IX. COVENANT NOT TO SUE BY SETTLING DEFENDANTS

16. Settling Defendants covenant not to sue and agree not to assert any claims

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- a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;
- b. any claim arising out of the response actions at the Site for which the Past Response Costs were incurred, including any claim under the United States Constitution, the Constitution of the State of California, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or
- c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to Past Response Costs.
- 17. Nothing in this Consent Decree shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

X. EFFECT OF SETTLEMENT/CONTRIBUTION PROTECTION

- 18. Nothing in this Consent Decree shall be construed to create any rights in, or grant any cause of action to, any person not a Party to this Consent Decree. The Parties expressly reserve any and all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and causes of action that they may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto.
- 19. The Parties agree, and by entering this Consent Decree this Court finds, that Settling Defendants are entitled, as of the date of entry of this Consent Decree, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), or other applicable law, for "matters addressed" in this Consent Decree. The "matters addressed" in this Consent Decree are Past Response Costs.
- 20. Each Settling Defendant agrees that, with respect to any suit or claim for contribution brought by it/her for matters related to this Consent Decree, it/she will notify

the United States in writing no later than 60 days prior to the initiation of such suit or claim. Each Settling Defendant also agrees that, with respect to any suit or claim for contribution brought against it/her for matters related to this Consent Decree, it/she will notify the United States in writing within 10 days of service of the complaint or claim upon it/her. In addition, each Settling Defendant shall notify the United States within 10 days of service or receipt of any Motion for Summary Judgment, and within 10 days of receipt of any order from a court setting a case for trial, for matters related to this Consent Decree.

21. In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other relief relating to the Site, Settling Defendants shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claimsplitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the Covenant Not to Sue by Plaintiff set forth in Section VII.

XII. SITE ACCESS

- 22. If the Site, or any other property where access is needed to implement response activities at the Site, is owned or controlled by the Owner Settling Defendant, such Owner Settling Defendant shall, commencing on the date of lodging of this Consent Decree, provide the United States, and its representatives, including EPA and its contractors, with access at all reasonable times to the Site, or to such other property, for the purpose of conducting any response activity related to the Site, including, but not limited to, the following activities:
- (1) Monitoring, investigation, removal, remedial or other activities at the Site;
 - (2) Verifying any data or information submitted to the United States;
 - (3) Conducting investigations relating to contamination at or near the

Site;

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- (4) Obtaining samples;
- Assessing the need for, planning, or implementing additional (5) response actions at or near the Site;
- (6) Inspecting and copying records, operating logs, contracts, or other documents maintained or generated by Settling Defendants or their agents, consistent with Section XIII (Access to Information); and
 - Assessing Settling Defendants' compliance with this Agreement. (7)
- 23. Notwithstanding any provision of this Consent Decree, EPA retains all of its access authorities and rights, as well as all of its rights to require land/water use restrictions, including enforcement authorities related thereto, under CERCLA, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., and any other applicable statute or regulations.

XIII. ACCESS TO INFORMATION

- 24. Settling Defendants shall provide to EPA, upon request, copies of all records, reports, or information (hereinafter referred to as "records") within their possession or control or that of their contractors or agents relating to activities at the Site, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Site.
 - 25. Confidential Business Information and Privileged Documents.
- Settling Defendants may assert business confidentiality claims a. covering part or all of the records submitted to Plaintiff under this Consent Decree to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. 2.203(b). Records determined to be confidential by EPA will be accorded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies records when they are submitted to EPA, or if EPA has notified Settling Defendants that the records are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2 Subpart B, the public may be given Third Partial Consent Decree - 10 -

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access to such records without further notice to Settling Defendants.

26. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XIV. RETENTION OF RECORDS

- 27. Until 10 years after the entry of this Consent Decree, Settling Defendants shall preserve and retain all records now in their possession or control, or which come into their possession or control, that relate in any manner to response actions taken at the Site or the liability of any person under CERCLA with respect to the Site, regardless of any corporate retention policy to the contrary.
- 28. After the conclusion of the 10-year document retention period in the preceding paragraph, Settling Defendants shall notify EPA and DOJ at least 90 days prior to the destruction of any such records, and, upon request by EPA or DOJ, Settling Defendant shall deliver any such records to EPA. Settling Defendants may assert that

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certain records are privileged under the attorney-client privilege or any other privilege

6 the privilege asserted. If a claim of privilege applies only to a portion of a record, the 7 record shall be provided to Plaintiff in redacted form to mask the privileged information

8 only. Settling Defendants shall retain all records that they claim to be privileged until the

United States has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in the Settling Defendants' favor. However, no records created

or generated pursuant to the requirements of this or any other settlement with the EPA

pertaining to the Site shall be withheld on the grounds that they are privileged.

29. Each Settling Defendant hereby certifies that, to the best of its/her knowledge and belief, after thorough inquiry, it/she has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, reports, or information relating to its/her potential liability regarding the Site since notification of potential liability by the United States or the State or the filing of suit against it/her regarding the Site and that it/she has fully complied with any and all EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e).

XV. <u>NOTICES AND SUBMISSIONS</u>

30. Whenever, under the terms of this Consent Decree, notice is required to be given or a document is required to be sent by one party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified herein shall constitute complete satisfaction of any written notice requirement of the Consent Decree with respect to the United States, EPA, and Settling Defendants, respectively. As to the United States:

Chief, Environmental Enforcement Section

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XVI. RETENTION OF JURISDICTION

31. This Court shall retain jurisdiction over this matter for the purpose of interpreting and enforcing the terms of this Consent Decree.

XVII. INTEGRATION

32. This Consent Decree constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Consent Decree. The Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Consent Decree.

XVIII. LODGING AND OPPORTUNITY FOR PUBLIC COMMENT

- 33. This Consent Decree shall be lodged with the Court for a period of not less than 30 days for public notice and comment. The United States reserves the right to withdraw or withhold its consent if the comments regarding the Consent Decree disclose facts or considerations which indicate that this Consent Decree is inappropriate, improper, or inadequate. Settling Defendants consent to the entry of this Consent Decree without further notice.
- 34. If for any reason this Court should decline to approve this Consent Decree in the form presented, this agreement is voidable at the sole discretion of any party and the terms of the agreement may not be used as evidence in any litigation between the Parties.

XIX. SIGNATORIES/SERVICE

- 35. Each undersigned representative of a Settling Defendant to this Consent Decree and the Chief/Deputy Chief, Environmental Enforcement Section of the United States Department of Justice certifies that he or she is authorized to enter into the terms and conditions of this Consent Decree and to execute and bind legally such Party to this document.
- 36. Each Settling Defendant hereby agrees not to oppose entry of this Consent Decree by this Court or to challenge any provision of this Consent Decree, unless the United States has notified Settling Defendants in writing that it no longer supports entry of

Cas	1:94-cv-05984-REC-SMS Document 156 Filed 05/07/2008 Page 15 of 18				
1	the Consent Decree.				
2	37. Settling Defendants shall identify, on the attached signature page, the				
3	name and address of an agent who is authorized to accept service of process by mail on				
4	behalf of Settling Defendants with respect to all matters arising under or relating to this				
5	Consent Decree. Settling Defendants hereby agree to accept service in that manner and to				
6	waive the formal service requirements set forth in Rule 4 of the Federal Rules of Civil				
7	Procedure and any applicable local rules of this Court, including but not limited to, service				
8	of a summons.				
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10	SO ORDERED THIS DAY OF, 20				
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13	United States District Judge				
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